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# A BILL FOR AN ACT

RELATING TO BINGO GAMES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4                                   "CHAPTER

5   BINGO

6                                   PART I. PURPOSE AND DEFINITIONS

7           §           -1 Purpose. The legislature declares that:

- 8           (1) All phases of the conduct of bingo, except bingo games  
9                using free cards and donated prizes for which no  
10               payment of consideration is made by participants,  
11               should be closely controlled by appropriate laws and  
12               rules that should be strictly and uniformly enforced  
13               throughout this state;
- 14           (2) The conduct of bingo and all attendant activities,  
15               except bingo games using free cards and donated prizes  
16               for which no payment of consideration is made by  
17               participants, should be regulated to discourage  
18               commercialization of bingo in all forms, including the



1 rental of commercial premises for bingo, and to ensure  
2 the maximum use of the profits of bingo exclusively  
3 for the lawful purposes specified in this chapter or  
4 for the advancement, improvement, or benefit of the  
5 licensed organization that conducts the bingo game,  
6 under the requirements of this chapter; and

7 (3) It is a matter of statewide concern to foster and  
8 support these lawful purposes and to prevent  
9 commercialized gambling, participation by criminal and  
10 other undesirable elements, and diversion of funds  
11 from the lawful purposes authorized in this chapter.

12 § -2 **Definitions.** As used in this chapter, unless the  
13 context otherwise requires:

14 "Bingo" means a game in which players pay a consideration  
15 to participate, in which seventy-five numbered objects are  
16 available for selection, and those objects actually selected are  
17 selected on a random basis, and in which each player  
18 participates by means of cards sold, rented, or used only at the  
19 time and place of the game, each card containing five rows of  
20 five spaces each, each space printed with a number from 1 to 75,  
21 except the central space, which is marked "FREE." Winners are  
22 determined and prizes awarded on the basis of possessing a bingo



1 card on which some combination of numbers is printed and  
2 conforms to the numbered objects selected at random based on a  
3 predetermined winning arrangement. "Bingo," as used in this  
4 chapter, shall not include any game using free cards and donated  
5 prizes, if any, for which no payment of consideration is made by  
6 participants.

7 "Bingo occasion" means a single gathering or session at  
8 which a series of successive bingo games is played.

9 "Bingo supplies and equipment" means all cards, boards,  
10 sheets, markers, pads, or other supplies, devices, or equipment  
11 designed for use in the play of bingo.

12 "Board" means the bingo control board.

13 "Department" means the department of commerce and consumer  
14 affairs.

15 "Extra regular card" means a nondisposable card that  
16 affords additional opportunities to play in a regular bingo game  
17 to be played at a bingo occasion.

18 "Gross receipts" means total receipts received from the  
19 conduct of bingo, including but not limited to receipts from the  
20 sale, rental, or use of regular bingo cards, extra regular  
21 cards, special bingo cards, and bingo supplies.

22 "Lawful purpose" means one or more of the following:



- 1           (1) Benefiting persons by:
- 2                 (A) Enhancing their opportunity for religious or
- 3                         educational advancement;
- 4                 (B) Relieving or protecting them from disease,
- 5                         suffering, or distress;
- 6                 (C) Contributing to their physical well-being;
- 7                 (D) Assisting them in establishing themselves in life
- 8                         as worthy and useful citizens; or
- 9                 (E) Increasing their comprehension of and devotion to
- 10                         the principles upon which this nation was
- 11                         founded;
- 12           (2) Initiating, performing, or fostering worthy public
- 13                         works, or enabling or furthering the erection or
- 14                         maintenance of public structures;
- 15           (3) Lessening the burdens borne by government, or
- 16                         voluntarily supporting, augmenting, or supplementing
- 17                         services that government would normally render to the
- 18                         people; or
- 19           (4) Maintaining, improving, building an addition to,
- 20                         repairing, or retiring the debt on existing buildings
- 21                         and real property used for purposes enumerated in
- 22                         paragraphs (1) to (3).



1 "Lawful purpose" does not include the erection or acquisition of  
2 any real property except as provided in paragraph (4), unless  
3 the board specifically authorizes the expenditures after finding  
4 that the property will be used exclusively for one or more of  
5 the purposes specified in paragraphs (1) to (4), nor does it  
6 include any activities consisting of an attempt to influence  
7 legislation or participate in any political campaign on behalf  
8 of any elected official or person who is or has been a candidate  
9 for public office.

10 "Licensed organization" means an organization licensed  
11 under this chapter to conduct bingo.

12 "Limited period bingo" means the conduct of bingo for a  
13 period of not more than four out of five consecutive days in any  
14 one year at a festival, bazaar, picnic, carnival, or similar  
15 special function conducted by a licensed organization.

16 "Premises" means any room, hall, enclosure, tent, or  
17 outdoor area in which bingo is being played.

18 "Profit" means the gross receipts collected from one or  
19 more bingo occasions, less reasonable sums necessarily and  
20 actually expended for bingo supplies and equipment, prizes,  
21 utilities, license fees, and taxes.



1 "Regular bingo card" means a nondisposable card issued to a  
2 person upon payment of the admission fee which affords a person  
3 the opportunity to participate in all regular bingo games played  
4 at a bingo occasion.

5 "Regular bingo game" means a bingo game in which a person,  
6 upon payment of an admission, is issued a regular bingo card and  
7 may purchase or rent extra regular cards.

8 "Service organization" includes all of the following:

- 9 (1) A labor organization, recognized under section 377-14,  
10 whose jurisdiction is limited to a specific  
11 geographical area within the state; and  
12 (2) A political party, as defined in section 11-61, except  
13 a state committee registered under section 11-194 and  
14 organized exclusively for political purposes under  
15 whose name candidates appear on a ballot at any  
16 election.

17 "Special bingo card" means a disposable, specially marked  
18 bingo card which affords a person the opportunity to participate  
19 in a special bingo game to be played at a bingo occasion.

20 "Special bingo game" means any bingo game that is not a  
21 regular bingo game and that is played with special bingo cards.



1                                   **PART II. BINGO CONTROL BOARD**

2           **§ - 11 Bingo control board; appointment.** There is  
3 established within the department a bingo control board  
4 consisting of seven members who shall be appointed by the  
5 governor in the manner prescribed by section 26-34.

6           Five members of the board shall be officers, directors, or  
7 clergy of a bona fide religious, charitable, fraternal, or  
8 veterans' organization or any tax-exempt organization under the  
9 Internal Revenue Code of 1986, as amended. Two members shall be  
10 public members. Four members of the board shall be residents of  
11 the city and county of Honolulu, and three shall be residents of  
12 counties other than the city and county of Honolulu. The  
13 members of the board shall serve without compensation but shall  
14 be reimbursed for expenses, including travel expenses, necessary  
15 for the performance of their duties.

16           **§ -12 General duties of the board.** The board shall:

- 17           (1) Hear appeals on denial of licenses by the department  
18                 under this chapter;
- 19           (2) Conduct hearings on the suspension or revocation of a  
20                 license for violation of this chapter or any rules  
21                 adopted under it;



1           (3) Adopt rules under chapter 91 relating to the issuance,  
2           renewal, amendment, suspension, and revocation of  
3           bingo and raffle licenses and the conduct of bingo  
4           under this chapter;

5           (4) Approve and establish a standard set of bingo cards  
6           comprising a consecutively-numbered series and  
7           prescribe by rule the manner in which the cards shall  
8           be reproduced and distributed to a licensed  
9           organization; and

10          (5) Prescribe appropriate forms necessary to carry out  
11          this chapter.

12          §       -13   **Department powers and duties.** The department  
13 shall:

14          (1) Issue, renew, and amend licenses to:

15               (A) Organizations to conduct bingo;

16               (B) A supervisory member designated by the  
17               organization; and

18               (C) A member designated by the organization who is  
19               responsible for the gross receipts;

20          (2) Have power to temporarily suspend any license;

21          (3) Make recommendations to the board regarding  
22          suspensions and revocations of licenses;





1 (4) Refer for investigation potential or actual violations  
2 of this chapter and rules adopted under it to the  
3 prosecuting attorney in the county in which a bingo  
4 occasion will be or was held;

5 (5) Make a continuous study of the operation of this  
6 chapter to:

7 (A) Ascertain if there are defects that jeopardize or  
8 threaten to jeopardize the purpose of this  
9 chapter; and

10 (B) Make a continuous study of the operation and  
11 administration of similar laws that may be in  
12 effect in other states;

13 and

14 (6) Recommend to the board changes to state law as the  
15 department determines are necessary to carry out the  
16 purposes of this chapter.

17 § -14 Conflict of interest prohibited. No member of  
18 the board or employee of the department assigned duties under  
19 this chapter shall:

20 (1) Own, be employed by, or have any pecuniary interest in  
21 any business engaged directly or indirectly in the  
22 manufacture, distribution, or sale of bingo supplies



1 and equipment, or be the spouse of or related in the  
2 first degree of kinship to any person so employed or  
3 interested;

4 (2) Participate in the approval, denial, revocation, or  
5 suspension of any application or license for an  
6 organization of which the member or employee is an  
7 officer, director, shareholder, or member;

8 (3) Engage in private employment or in a profession or  
9 business that conflicts with the performance of the  
10 member's or employee's official duties; or

11 (4) Engage in any business, transaction, or professional  
12 activity or incur any obligation of any nature that  
13 conflicts with the proper discharge of the member's or  
14 employee's official duties.

15 **§ -15 Rules governing expenditure of bingo funds**  
16 **restricted.**

17 (a) The board shall not adopt any rule that limits the  
18 expenditure of bingo funds for installing, maintaining, or  
19 improving the heating, plumbing, air conditioning, or electrical  
20 systems of an existing building used in whole or in part for any  
21 lawful purpose, except for that portion of the building  
22 consisting of a bar or restaurant.



1 (b) As used in this section:

2 "Bar" means premises operating under a license or permit  
3 for the retail sale of alcoholic beverages for consumption on  
4 the premises.

5 "Meals" does not include soft drinks, ice cream, milk, milk  
6 drinks, ices, or confections.

7 "Restaurant" means any place in which meals are prepared  
8 for or served or sold to the public more than once in any week.

9 **PART III. LICENSING**

10 **§ -21 License to conduct bingo.** (a) Any bona fide  
11 religious, charitable, service, fraternal, or veterans'  
12 organization, or any tax-exempt organization under the Internal  
13 Revenue Code of 1986, as amended, may apply to the board for a  
14 license to conduct bingo.

15 (b) Prior to applying for a license, an organization  
16 listed under subsection (a) shall:

17 (1) Be incorporated in this state as a nonprofit  
18 corporation or organized in this state as a religious  
19 or nonprofit organization;

20 (2) Have at least fifteen members in good standing;

21 (3) Conduct activities within this state in addition to  
22 the conduct of bingo;



1 (4) Be authorized by its constitution, articles, charter,  
2 or bylaws to further in this state a lawful purpose;

3 (5) Operate without profit to its members, and no part of  
4 the net earnings of the organization shall inure to  
5 the benefit of any private shareholder or individual;

6 (6) Have been in existence for five years immediately  
7 preceding its application for a license, and shall  
8 have had during that five-year period a bona fide  
9 membership actively engaged in furthering a lawful  
10 purpose; and

11 (7) Have received and used and shall continue to receive  
12 and use, for a lawful purpose, funds derived from  
13 sources other than from the conduct of bingo.

14 § -22 **Bingo license application.** Each applicant for a  
15 license to conduct bingo shall file with the board an  
16 application on a form prescribed by the board. The application  
17 shall include:

18 (1) The name and address of the applicant;

19 (2) Sufficient facts relating to the incorporation or  
20 organization of the applicant to enable the board to  
21 determine if the applicant is eligible for a license  
22 under this part;



- 1           (3) The name and address of each officer of the applicant  
2                   organization;
- 3           (4) The place and date of each bingo occasion proposed to  
4                   be conducted during the effective period of the  
5                   license;
- 6           (5) The name and address of the owner of the premises in  
7                   which bingo will be conducted and the approximate  
8                   capacity of the premises;
- 9           (6) The name, date of birth, and address of each  
10                   supervising member for each bingo occasion who shall  
11                   be a bona fide and active member of the applicant  
12                   organization and one or more of whom shall be present  
13                   and in immediate charge of and responsible for the  
14                   conduct of bingo games at each bingo occasion;
- 15           (7) The name of any licensed organization co-sponsoring  
16                   any bingo occasion;
- 17           (8) The name, address, date of birth, and years of  
18                   membership of a bona fide and active member of the  
19                   applicant organization who shall be responsible for  
20                   the proper use of the gross receipts derived from the  
21                   conduct of bingo;



1 (9) The specific purposes to which the profits from the  
2 conduct of bingo are to be devoted; and

3 (10) Other information the board deems necessary to  
4 administer this chapter.

5 § -23 Affidavits, bond, and fees. An application for  
6 a license to conduct bingo shall be accompanied by:

7 (1) A sworn statement of each designated supervising  
8 member that the member will be responsible for  
9 compliance with this chapter and rules adopted under  
10 it for each bingo occasion supervised by the member;

11 (2) A sworn statement by the member designated as  
12 responsible for the proper use of gross receipts that  
13 no commission, fee, rent, salary, profits,  
14 compensation, reward, or recompense will be paid to  
15 any person or organization and that all profits will  
16 be spent for a lawful purpose or as provided under  
17 section -32(b); and

18 (3) A \$10 license fee for each bingo occasion proposed to  
19 be conducted; \$5 for an annual license for each  
20 designated supervising member; and \$5 for an annual  
21 license for each designated member responsible for the  
22 proper use of gross receipts. The fees shall be paid



1 to the board, which shall deposit the fees in the  
2 state treasury to the credit of the general fund.

3 § -24 Department determinations. Upon receipt of an  
4 application for a license to conduct bingo, the department shall  
5 investigate the qualifications of the applicant and the merits  
6 of the application and, before issuing a license, shall  
7 determine that:

8 (1) The applicant is eligible to be licensed to conduct  
9 bingo under section -21;

10 (2) The supervising members and member responsible for the  
11 proper use of gross receipts are bona fide and active  
12 members of the applicant organization who have never  
13 been convicted of a felony or, if convicted, have  
14 received a pardon or have been released from parole or  
15 probation for at least five years;

16 (3) The proposed bingo occasions will be conducted in  
17 accordance with this chapter and the rules adopted  
18 under it;

19 (4) No commission, fee, rent, salary, profit,  
20 compensation, reward, or recompense is or will be paid  
21 or given to any person in connection with the holding,  
22 operating, or conducting of any bingo occasion, except



1 that rent authorized under section -46 and except  
2 expenditures authorized under section -32(b)  
3 may be paid;

4 (5) The premises in which a proposed bingo occasion will  
5 be conducted are adequate and suitable for the conduct  
6 of bingo and are owned by the applicant, another  
7 licensed organization, or the public, or are used by  
8 the applicant organization on a regular basis for  
9 purposes other than bingo and that no benefits of any  
10 kind are proposed to be transferred as rent for the  
11 premises, except as permitted under paragraph (4); and

12 (6) The profits from all bingo games conducted by the  
13 applicant organization are proposed to be used as  
14 provided under section -32(b) or for a lawful  
15 purpose that is a proper objective of the applicant  
16 organization.

17 § -25 Issuance of license to conduct bingo; limited  
18 period bingo. (a) Within sixty days after the filing of an  
19 application for a license to conduct bingo, the department,  
20 after making the determinations under section -24, shall  
21 either notify the applicant organization in writing why a  
22 license is not being issued or issue a license to the applicant





1 organization authorizing it to conduct bingo at the times and  
2 places set forth in the license. Except for limited period  
3 bingo, an applicant organization shall not be authorized to  
4 conduct or co-sponsor more than twenty-six bingo occasions in  
5 any year, or more than five bingo occasions in any month. In  
6 addition, an applicant organization holding a regular license  
7 may be issued one limited period bingo license during the  
8 twelve-month period from the date of issuance or renewal of that  
9 regular license. An applicant organization not holding a  
10 regular bingo license may be issued two limited period licenses  
11 within a twelve-month period. A license issued under this  
12 subsection shall be effective for one year from the first day of  
13 the month of the first occasion listed on the license and may be  
14 renewed annually, except that an applicant organization may  
15 request that the license expire on the first day of any month  
16 within the one-year licensure period.

17 (b) The form of the license shall be prescribed by the  
18 board and shall include:

- 19 (1) The name and address of the licensed organization;  
20 (2) The name and address of each supervising member of the  
21 licensee under whom each bingo occasion is to be  
22 conducted;



1 (3) The place, date, and time at which each bingo occasion  
2 is to be held;

3 (4) The specific purposes to which the profits of each  
4 bingo occasion will be devoted; and

5 (5) Other information that the board deems necessary to  
6 administer this chapter.

7 (c) Each license, and all amendments thereto, shall be  
8 conspicuously displayed at the place where a bingo occasion is  
9 conducted and at all times during the conduct thereof so as to  
10 be easily readable by any patron of the bingo occasion.

11 (d) Within ten days after the issuance of a license to  
12 conduct bingo and at least five days prior to the first bingo  
13 occasion each year as authorized by the license, or amendments  
14 thereto, the department shall send written notice of the  
15 issuance, or amendment, of the license to the prosecuting  
16 attorney of the county in which any bingo occasion is to be  
17 conducted. The notice shall indicate the time, place, and  
18 sponsoring licensed organizations for each authorized bingo  
19 occasion.

20 § -26 Amendment of license to conduct bingo. Upon  
21 application by a licensed organization, a license may be  
22 amended, if the subject matter of the amendment properly and



1 lawfully could have been included in the original license. An  
2 application for an amendment to a license shall be filed and  
3 processed in the same manner as an original application. An  
4 application for the amendment of a license shall be accompanied  
5 by a \$3 fee. If any application for amendment seeks approval of  
6 additional bingo occasions or designates new supervising members  
7 or a member responsible for the proper use of gross receipts,  
8 the appropriate fee under section -23 shall also be paid.  
9 If the department approves an application for an amendment to a  
10 license, a copy of the amendment shall be sent to the applicant,  
11 who shall attach the copy to the original license.

12 § -27 Denial of application; hearing. If the  
13 department denies a license to conduct bingo, within ten days  
14 after receiving written notification of the denial, an applicant  
15 may demand in writing a hearing before the board concerning the  
16 applicant's qualifications and the merit of the application. At  
17 the hearing, the burden of proof shall be on the applicant to  
18 establish the applicant's eligibility for a license. If, after  
19 the hearing, the board enters an order denying the application,  
20 the order shall set forth in detail the reasons for the denial.  
21 Upon entry of such an order or upon the expiration of the ten-  
22 day period during which a hearing may be demanded, the



1 applicant's license fee shall be refunded less reasonable  
2 administrative costs. If the board approves the application,  
3 the department shall issue the license within fourteen days  
4 after approval.

5       §       -28   **Suspension or revocation.** (a) Proceedings to  
6 suspend or revoke a license to conduct bingo shall be initiated  
7 by the board pursuant to chapter 91. The notice shall state the  
8 alleged violations that constitute the grounds for the  
9 proceedings. The department may temporarily suspend the license  
10 for a period of thirty days while any proceedings are pending  
11 and shall notify the licensee of the dates of the temporary  
12 suspension.

13       (b) The department shall notify an officer or agent of the  
14 licensee of the time and place of the hearing by registered  
15 mail, return receipt requested, at least fifteen days before the  
16 hearing.

17       (c) The board shall hold a hearing on a suspension or  
18 proposed revocation as soon as practicable. The board shall  
19 issue in writing its findings and decision on suspension or  
20 revocation within thirty days after the hearing. A copy of the  
21 findings and decision shall be sent immediately to the licensee.  
22 If the board suspends or revokes the license, the licensee shall



1 be informed of the effective date of the suspension or  
2 revocation. The board's decision under this section shall be  
3 subject to judicial review pursuant to section 91-14.

4 (d) When a license is suspended or revoked by the board,  
5 the licensee shall immediately surrender the license to the  
6 board. A licensee whose license has been revoked may reapply  
7 for a license one year after the effective date of the  
8 revocation. If a license has been suspended under subsection  
9 (c), the department shall reinstate the license at the end of  
10 the period of suspension.

11 (e) A violation of any applicable law of this State or  
12 rule adopted thereunder shall constitute grounds for suspension  
13 or revocation.

14 **PART IV. CONDUCT OF BINGO**

15 **§ -31 Restrictions on the conduct of bingo.** (a) Only  
16 a person licensed under section -25 shall conduct bingo.

17 (b) Bingo shall be played only on premises that are:

18 (1) Owned by a licensed organization;

19 (2) Publicly owned;

20 (3) Owned by another licensed organization;

21 (4) Used regularly by the licensed organization for a

22 purpose other than bingo, except that a tent that has



1           been rented, borrowed, or donated may be used at a  
2           limited period bingo occasion; or

3           (5) Made available without charge.

4           (c) Not more than fifty-four occasions of regular bingo  
5 may be played at any one building, tent, enclosure, or outdoor  
6 area in any calendar year.

7           (d) Bingo may not be conducted at a place owned, operated,  
8 or controlled by a person who has been convicted of having  
9 operated a gambling place within the past five years.

10          (e) Except for limited period bingo, only persons who pay  
11 for regular bingo cards may participate as players in a regular  
12 or special bingo game.

13          (f) Purchase of a regular bingo card shall entitle each  
14 player to a place with sufficient room in which to play.

15          (g) A licensed organization or its members or agents shall  
16 accept only cash payment for any bingo card.

17          §       -32 Profits for lawful purposes or organization

18 benefit. (a) Except as provided under subsection (b), the  
19 profits from any bingo game shall be devoted exclusively to a  
20 lawful purpose of the licensed organization.

21          (b) No more than fifteen per cent of the profits from any  
22 bingo game may be used for the advancement, improvement, or



1 benefit of the licensed organization that conducts the bingo  
2 game.

3           §       -33 Prizes; limitations and conditions. (a) No  
4 prize in a single bingo game shall exceed \$500. The aggregate  
5 value of prizes at any bingo occasion may not exceed \$3,000,  
6 except by the amount resulting from the awarding of minimum  
7 prizes under section       -43.

8           (b) No licensed organization shall award any prize  
9 consisting of alcoholic or fermented malt beverages or an  
10 interest in real estate or securities.

11           (c) No bonus or additional prizes shall be awarded on the  
12 basis of either a specific arrangement of the numbers or type of  
13 card required to win a game. No prize shall be determined on  
14 the basis of a specified number of calls.

15           (d) If any merchandise prize is awarded in a bingo game,  
16 its value shall be its current retail price. The current retail  
17 price of merchandise prizes donated to a licensed organization  
18 shall not be reported as an expenditure in its financial  
19 statement of bingo operations. No merchandise prize shall be  
20 redeemable or convertible into cash directly or indirectly by  
21 the licensed organization.



1 (e) Each bingo winner shall be determined and every prize  
2 shall be awarded and delivered on the same day on which the  
3 bingo occasion is conducted.

4 § -34 Management and operation of bingo. (a) Only a  
5 bona fide and active member of the licensed organization, a bona  
6 fide and active member of the auxiliary of the licensed  
7 organization or the parent organization, or the spouse of such a  
8 member, may participate in the management or operation of a  
9 bingo occasion.

10 (b) No person shall receive remuneration for participating  
11 in the management or operation of any bingo game.

12 § -35 Minimum age requirement. No person under age  
13 eighteen shall:

14 (1) Play any bingo game conducted by a licensed  
15 organization, unless accompanied by that person's  
16 parent, legal guardian, or spouse; or

17 (2) Conduct or assist in the conduct of bingo.

18 § -36 Only certain expenses permitted. No expense may  
19 be incurred or amounts paid in connection with the conduct of  
20 bingo by a licensed organization, except those reasonably and  
21 necessarily expended for bingo supplies and equipment, including  
22 blowers, flashboards, tables, chairs, public address systems,





1 bingo cards, markers, filing cabinets, and signs, and for  
2 prizes, utilities, license fees and taxes, fees regularly  
3 charged by the State or a county for use of a public premise,  
4 printing of bingo forms and house rules, repairs to bingo  
5 equipment, and rent authorized under section -46.

6 § -37 **Bingo cards.** (a) Bingo cards shall be printed  
7 only on one side.

8 (b) The licensed organization shall keep an accurate,  
9 separate count of the number of regular bingo cards, extra  
10 regular cards, and special bingo cards that are sold, rented, or  
11 used. The information shall be available for inspection at the  
12 close of the bingo occasion.

13 (c) Regular bingo cards, extra regular cards, and special  
14 bingo cards shall each be assigned a specific price, and the  
15 price shall remain the same during a bingo occasion. At any  
16 time during a bingo occasion, a card may be changed at no  
17 additional cost. Cards shall be sold or rented only on the  
18 premises at which bingo is being conducted. A price list shall  
19 be posted where the regular bingo cards are distributed, setting  
20 forth the price of each type of card. Only the posted price may  
21 be charged. The regular bingo cards and the extra regular cards  
22 shall be readily distinguishable from each other.



1           §       -38   **Method of play.**   (a)   The method of play in any  
2 bingo game and the use of bingo supplies and equipment shall  
3 afford each player an equal opportunity to win.

4           (b)   The objects to be drawn shall be essentially the same  
5 in size, color, shape, weight, balance, and all other  
6 characteristics, so that at all times during the conduct of  
7 bingo, each object possesses the capacity for equal agitation  
8 with any other object within the receptacle.

9           (c)   All seventy-five objects shall be present in the  
10 receptacle at the beginning of each bingo game.

11          (d)   The announcement of all numbers drawn shall be clearly  
12 audible to the players present.

13          (e)   When more than one room is used for any one bingo  
14 game, the receptacle and caller and any assistant shall be in  
15 the room where the greatest number of players are present, and  
16 all numbers shall be announced in a manner clearly audible to  
17 the players in each room.

18          (f)   Once removed, no object shall be returned to the  
19 receptacle until after the conclusion of the game.

20          (g)   Immediately following the calling of each number in a  
21 bingo game, the caller shall turn that portion of the object  
22 that shows the number and letter to the players.



1           §       -39   **Number arrangement announced; prizes announced**  
2   **and posted.**   The particular arrangement of numbers required to  
3   be covered to win and the amount of the prize for each game  
4   shall be clearly described and audibly announced to the players  
5   immediately before each game.   The amount of the prize for each  
6   bingo game shall also be posted where the regular bingo cards  
7   are distributed.

8           §       -40   **Verification of winner.**   (a)   The numbers  
9   appearing on the winning card at the time a winner is determined  
10   shall be verified in the immediate presence of at least one  
11   disinterested player.

12           (b)   At the time a winner is determined, any player may  
13   call for verification of all numbers and of the objects  
14   remaining in the receptacle and not yet drawn.   This  
15   verification shall be made in the immediate presence of the  
16   supervising member and at least one disinterested player.

17           §       -41   **Limit on number of bingo games.**   Except for  
18   limited period bingo, no licensed organization shall conduct  
19   more than thirty-five bingo games, including regular and special  
20   games, on a single bingo occasion.

21           §       -42   **More than one winner.**   When more than one player  
22   is found to be the winner on the call of the same number in the



1 same bingo game, a cash prize shall be divided equally among the  
2 winners. The licensed organization may elect to round off the  
3 prize to any amount between the next lower dollar and the next  
4 higher dollar. Any licensed organization may elect to set a  
5 minimum prize not exceeding \$10 for each winner. When equal  
6 division of a merchandize prize is not possible, identical  
7 substitute prizes whose aggregate retail value is approximately  
8 equal to that of the designated prize may be awarded or a cash  
9 prize equal to the retail value may be divided among the winners  
10 as provided in this section.

11       §       -43 Prohibited from playing. No licensed  
12 organization shall permit any person who is conducting or  
13 assisting in the conduct of bingo on a bingo occasion to  
14 participate as a player on that occasion.

15       §       -44 Bingo caller. No person may act as a caller in  
16 the conduct of any game of bingo unless the person:

17       (1) Has been a member in good standing of the licensed  
18 organization, the auxiliary of the licensed  
19 organization or the parent organization, or a member  
20 of the local unit of the religious organization that  
21 the licensed organization is a member of for at least



1           one year immediately preceding the date of the game or  
2           is the spouse of such a member; and

3           (2) Has never been convicted of a felony or, if convicted,  
4           has been pardoned or released from probation or parole  
5           for at least five years.

6           §       -45 **Rent.** Except as provided under section       -32,  
7 a licensed organization may incur and pay rent in connection  
8 with the conduct of bingo only:

9           (1) If for a tent rented for use at a limited bingo  
10           occasion and the rent incurred and paid is reasonable;  
11           or

12           (2) If it does not rent from itself, and the rent is for  
13           premises used for a bingo occasion and does not exceed  
14           an amount equal to ten per cent of the aggregate value  
15           of prizes offered at the bingo occasion.

16           §       -46 **Limited period bingo.** (a) No person licensed  
17 to conduct limited period bingo shall conduct more than sixty  
18 games of limited period bingo on a single bingo occasion.  
19 Limited period bingo may be conducted on two bingo occasions in  
20 a single day.

21           (b) No admission fee shall be charged to play limited  
22 period bingo.



1 (c) All other provisions in this chapter relating to  
2 regular bingo games shall apply to limited period bingo except  
3 as otherwise provided.

4 § -47 **Special bingo games.** In addition to provisions  
5 in this chapter relating to regular bingo games, the following  
6 provisions shall apply to special bingo games:

7 (1) All special bingo cards shall be in a form approved by  
8 the board; and

9 (2) Each special bingo card shall be used for one game  
10 only and shall be indelibly marked by the player while  
11 in use so as to render it void and unusable  
12 thereafter.

13 **PART V. REPORTS AND FINANCIAL STATEMENTS**

14 § -61 **Report of bingo operations.** (a) Within fifteen  
15 days after the conclusion of each bingo occasion, each licensed  
16 organization shall execute and file a report of bingo operations  
17 on a form prescribed by the board. The report shall be  
18 accompanied by the payment of the gross receipts tax due  
19 pursuant to section -81. The licensed organization shall  
20 retain a copy of the report for its permanent records. The  
21 report shall include:



- 1           (1) The name and address of each supervising member and  
2           each member responsible for the proper use of gross  
3           receipts;
- 4           (2) The date, hour, and address of the bingo occasion;
- 5           (3) The number of games played;
- 6           (4) An itemized statement of the gross receipts from the  
7           bingo occasion, including gross receipts from sales of  
8           regular bingo cards, extra regular cards, special game  
9           cards, and sale of supplies;
- 10          (5) An itemized statement of expenditures, including  
11          amounts paid for prizes, bingo supplies and equipment,  
12          license fees, and other expenses;
- 13          (6) An itemized statement of expenditures, if any, made by  
14          the licensed organization under section         -32(b);
- 15          (7) A statement showing the balance in the licensed  
16          organization's bingo account and bingo savings  
17          accounts and other deposits into or adjustments in the  
18          accounts since the last filing date; and
- 19          (8) The name of the depository and the title and number of  
20          the account.
- 21          (b) The report shall be signed by the member responsible  
22          for the proper use of gross receipts for the bingo occasion.



1 (c) If no bingo games are held on a date when a license  
2 authorizes them to be held, a report to that effect shall be  
3 filed with the board.

4 § -62 Reports improperly filed. (a) The department  
5 may refuse to renew a license of an organization found to be  
6 delinquent in filing its financial statement or found to have  
7 filed an incomplete statement of bingo operations.

8 (b) If a licensed organization fails to file a financial  
9 statement of bingo operations within five days after  
10 notification by the department of the delinquency, the  
11 department may suspend the license, pending the filing of the  
12 financial statement.

13 (c) If the financial statement filed by a licensed  
14 organization is not fully, accurately, and truthfully completed,  
15 the department may refuse to renew a license or may suspend a  
16 license until such time as a statement in proper form has been  
17 filed.

18 § -63 Unlawful purpose; reimbursement and waiver. If  
19 a financial audit of a licensed organization shows that bingo  
20 funds were disbursed for a purpose that is not a lawful purpose  
21 and the department requests that the licensed organization  
22 reimburse the appropriate bingo account in an amount equal to





1 the amount so disbursed, the licensed organization may appeal  
2 the request to the board. The board may waive or reduce the  
3 amount of any reimbursement if the licensed organization  
4 presents evidence satisfactory to the board that the licensed  
5 organization acted in good faith and by mistake or inadvertently  
6 in so disbursing the funds.

7       **§ -64 Financial report to membership.** (a) At least  
8 once a year, each licensed organization shall report the  
9 following information in writing to its membership regarding the  
10 bingo occasions that it has conducted:

- 11       (1) The number of bingo occasions conducted;
- 12       (2) The gross receipts;
- 13       (3) The amount of prizes paid;
- 14       (4) The net profit or loss;
- 15       (5) The disposition of profits;
- 16       (6) Any interest earned on profits deposited in interest-  
17           bearing accounts; and
- 18       (7) A summary of expenses incurred.

19       (b) The information reported under subsection (a) shall be  
20 incorporated into the minutes or records of each licensed  
21 organization. If a licensed organization is an auxiliary or  
22 affiliate of a parent organization, a copy of the written report



1 shall be filed with the executive officer of the parent  
2 organization and incorporated into its minutes. A copy of the  
3 financial report to the membership shall be mailed to the board  
4 within sixty days after the close of an organization's annual  
5 accounting period.

6       §       -65   **Expenditure of bingo funds after cessation of**  
7 **bingo.** A licensed organization that has ceased to conduct bingo  
8 for any reason and has unexpended bingo funds shall disburse  
9 those funds in any of the following ways:

- 10       (1) For a lawful purpose or as provided under  
11           section       -32(b) within one year after the  
12           cessation of the conduct of bingo; or  
13       (2) In accordance with a plan of expenditure approved in  
14           advance by the board.

15                                   **PART VI. ENFORCEMENT**

16       §       -71 **Duties of the attorney general.** (a) Whenever  
17 the attorney general files with a circuit court a statement that  
18 the attorney general believes that a violation of this chapter  
19 has occurred, the court shall issue a subpoena for any person  
20 requested or named by the attorney general. Mileage and witness  
21 fees need not be paid in advance, but only verified claims for



1 mileage and fees that are approved by the attorney general shall  
2 be paid out of the state treasury.

3 (b) Testimony from persons subpoenaed under subsection (a)  
4 shall be taken by a stenographic reporter and transcribed and  
5 read to or by the witness and subscribed to by the witness,  
6 unless the parties represented stipulate upon the record that  
7 the reading of the transcript of the testimony to or by the  
8 witness and the witness' signature thereto are waived and that  
9 the transcript may be used with like force and effect as if read  
10 and subscribed by the witness. The attendance of the witness  
11 for the purpose of reading and subscribing to the transcript may  
12 be compelled in the same manner that the witness' attendance to  
13 be examined may be compelled.

14 § -72 **Violations a public nuisance.** A violation of  
15 this chapter constitutes a public nuisance and may be enjoined  
16 or abated in like manner as other public nuisances, irrespective  
17 of any criminal prosecution that may be or is commenced based on  
18 the same acts.

19 § -73 **Inspection for enforcement.** A police officer or  
20 prosecuting attorney, within their respective jurisdictions, or  
21 an authorized employee of the department, at all reasonable  
22 hours, may enter the premises where a bingo occasion is being



1 conducted and examine the books, papers, and records of the  
2 licensed organization to determine if all proper taxes or fees  
3 imposed have been paid. Any refusal to permit an examination of  
4 the premises by the licensed organization, its agent or an  
5 employee, or the person in charge of the premises to which the  
6 bingo license relates, constitutes sufficient grounds for the  
7 suspension or revocation of a license, and is punishable under  
8 section -49(b). In addition, the refusal constitutes  
9 sufficient grounds for any police officer or other persons  
10 authorized under this section within their respective  
11 jurisdictions or authority to employ whatever reasonable action  
12 is necessary to conduct inspections permitted by this section.

13 § -74 Penalties. (a) Any person convicted of  
14 violating section -31(a) or (b), -32, -33, -34,  
15 or -42 shall be guilty of a misdemeanor but shall be subject  
16 to a maximum term of imprisonment of nine months, or a maximum  
17 fine of \$10,000, or both.

18 (b) Any person convicted of violating any other provision  
19 of this chapter shall be guilty of a petty misdemeanor but shall  
20 be subject to a maximum term of imprisonment of ninety days, or  
21 a maximum fine of \$5,000, or both.



1           (c) The attorney general or the prosecuting attorney of  
2 the county in which the violation occurs may commence an action  
3 in the name of the State to recover a civil forfeiture to the  
4 State of not more than \$10,000 for the violation of any  
5 provision of this chapter.

6           (d) The attorney general, the board, or the prosecuting  
7 attorney of a county in which an actual or potential violation  
8 occurs, after informing the attorney general, may commence an  
9 action in the circuit court in the name of the State to restrain  
10 any violation of any provision of this chapter. The court,  
11 prior to entry of final judgment, may make such an order or  
12 judgment as necessary to restore to any person any pecuniary  
13 loss suffered because of the acts or practices involved in the  
14 violation; provided proof thereof is submitted to the court.  
15 The attorney general may subpoena persons, require the  
16 production of books and other documents, and request the board  
17 to exercise its authority to aid in the investigation of alleged  
18 violations of this section.

19



1                                   PART VII. GROSS RECEIPTS TAX

2           §       -81 Tax on gross receipts. All gross receipts of  
3 any licensed organization that are derived from the conduct of  
4 bingo shall be subject to chapter 237 and taxed as provided in  
5 section 237-13(9)."

6           SECTION 2. Section 237-23, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8           "(b) The exemptions enumerated in subsection (a)(3) to (6)  
9 shall apply only:

10           (1) To those persons who shall have registered with the  
11 department of taxation by filing a written application  
12 for registration in such form as the department shall  
13 prescribe, shall have paid the registration fee of  
14 \$20, and shall have had the exemption allowed by the  
15 department or by a court or tribunal of competent  
16 jurisdiction upon appeal from any assessment resulting  
17 from disallowance of the exemption by the department;

18           (2) To activities from which no profit inures to the  
19 benefit of any private stockholder or individual,  
20 except for death or other benefits to the members of  
21 fraternal societies; and



1           (3) To the fraternal, religious, charitable, scientific,  
 2           educational, communal, or social welfare activities of  
 3           such persons, or to the activities of such hospitals,  
 4           infirmaries, and sanitararia as such, and not to any  
 5           activity the primary purpose of which is to produce  
 6           income even though the income is to be used for or in  
 7           furtherance of the exempt activities of such persons.  
 8           The exemption shall not apply to the conduct of  
 9           bingo."

10           SECTION 3. Section 712-1220, Hawaii Revised Statutes, is  
 11 amended to read as follows:

12           "**§712-1220 Definitions of terms in this part.** In this  
 13 part, unless a different meaning plainly is required, the  
 14 following definitions apply.

15           [~~(1)~~] "Advance gambling activity." A person "advances  
 16 gambling activity" if [~~he~~] that person engages in conduct that  
 17 materially aids any form of gambling activity. Conduct of this  
 18 nature includes but is not limited to conduct directed toward  
 19 [~~the~~]:

20           (1) The creation or establishment of the particular game,  
 21 contest, scheme, device, or activity involved [~~, toward~~  
 22 ~~the~~];



- 1        (2) The acquisition or maintenance of premises,  
2                paraphernalia, equipment, or apparatus therefor[~~7~~  
3                ~~toward the~~] i ;
- 4        (3) The solicitation or inducement of persons to  
5                participate therein[~~7~~~~toward the~~] i ;
- 6        (4) The actual conduct of the playing phases thereof[~~7~~  
7                ~~toward the~~] i ;
- 8        (5) The arrangement of any of its financial or recording  
9                phases [~~7~~] i or [~~toward any~~]
- 10       (6) Any other phase of its operation. ;

11 A person advances gambling activity if, having substantial  
12 proprietary control or other authoritative control over premises  
13 being used with [~~his~~] the person's knowledge for purposes of  
14 gambling activity, [~~he~~] the person permits that activity to  
15 occur or continue or makes no effort to prevent its occurrence  
16 or continuation. A person advances gambling activity if [~~he~~]  
17 that person plays or participates in any form of gambling  
18 activity.

19        [~~2~~] "Bookmaking" means advancing gambling activity by  
20 accepting bets from members of the public upon the outcomes of  
21 future contingent events.





1           ~~[(3)]~~ "Contest of chance" means any contest, game, gaming  
2 scheme, or gaming device in which the outcome depends in a  
3 material degree upon an element of chance, notwithstanding that  
4 skill of the contestants may also be a factor therein.

5           ~~[(4)]~~ "Gambling". A person engages in gambling if ~~[he]~~  
6 that person stakes or risks something of value upon the outcome  
7 of a contest of chance or a future contingent event not under  
8 ~~[his]~~ that person's control or influence, upon an agreement or  
9 understanding that ~~[he]~~ the person or someone else will receive  
10 something of value in the event of a certain outcome. Gambling  
11 does not include bona fide business transactions valid under the  
12 law of contracts, including but not limited to contracts for the  
13 purchase or sale at a future date of securities or commodities,  
14 and agreements to compensate for loss caused by the happening of  
15 chance, including but not limited to contracts of indemnity or  
16 guaranty and life, health, or accident insurance. Gambling does  
17 not include the conduct of bingo pursuant to chapter .

18           ~~[(5)]~~ "Gambling device" means any device, machine,  
19 paraphernalia, or equipment that is used or usable in the  
20 playing phases of any gambling activity, whether that activity  
21 consists of gambling between persons or gambling by a person  
22 involving the playing of a machine. However, lottery tickets



1 and other items used in the playing phases of lottery schemes  
2 are not gambling devices within this definition.

3 [~~(6)~~] "Lottery" means a gambling scheme in which:

4 [~~(a)~~] (1) The players pay or agree to pay something of  
5 value for chances, represented and differentiated  
6 by numbers or by combinations of numbers or by  
7 some other medium, one or more of which chances  
8 are to be designated the winning ones; [~~and~~]

9 [~~(b)~~] (2) The winning chances are to be determined by a  
10 drawing or by some other method based on an  
11 element of chance; and

12 [~~(c)~~] (3) The holders of the winning chances are to receive  
13 something of value.

14 [~~(7)~~] "Mutuel" means a form of lottery in which the winning  
15 chances or plays are not determined upon the basis of a drawing  
16 or other act on the part of persons conducting or connected with  
17 the scheme, but upon the basis of the outcome or outcomes of a  
18 future contingent event or events otherwise unrelated to the  
19 particular scheme.

20 [~~(8)~~] "Player" means a person who engages in gambling  
21 solely as a contestant or bettor.



1           ~~[(9)]~~ "Profit from gambling activity." A person "profits  
 2 from gambling activity" if ~~[he]~~ that person accepts or receives  
 3 money or other property pursuant to an agreement or  
 4 understanding with any person whereby ~~[he]~~ the person  
 5 participates or is to participate in the proceeds of gambling  
 6 activity.

7           ~~[(10)]~~ "Social gambling" is defined in section 712-1231.

8           ~~[(11)]~~ "Something of value" means any money or property,  
 9 any token, object, or article exchangeable for money or  
 10 property, or any form of credit or promise directly or  
 11 indirectly contemplating transfer of money or property or of any  
 12 interest therein, or involving extension of a service or  
 13 entertainment."

14           SECTION 4. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16           SECTION 5. This Act shall take effect on July 1, 2009.

17

INTRODUCED BY:

*[Handwritten signatures and names over the text "INTRODUCED BY:"]*  
 John M. Magno  
 Anthony...  
 Sean...  
 [Signature]  
 [Signature]  
 [Signature]



**Report Title:**

Bingo games

**Description:**

Establishes requirements for the conduct of bingo games for lawful purposes.

